



**CONSULTATION PAPER ON THE PROPOSED AMENDMENTS TO THE
SCHEDULE UNDER REGULATION 8 OF THE COMPANIES
REGULATIONS 2017**

Suruhanjaya Syarikat Malaysia (SSM) invites comments on the **Proposed Amendments to the Schedule under Regulation 8 of the Companies Regulations 2017**.

Please provide your name and the organisation you represent (where applicable) together with your comments.

We welcome comments to be submitted by email by **23 October 2020** to lrpia@ssm.com.my.

Confidentiality: Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been requested.

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INTRODUCTION

1. SSM proposes amendments for items in the Schedule under Regulation 8 of the Companies Regulations 2017 (CR 2017) as follows:

- (a) to prescribe a fee for lodgement of notice by a foreign company to increase its share capital or authorized share capital under section 567(3) of the Companies Act 2016 [*Act 777*] (CA 2016);
- (b) to amend item 43 of the Schedule under Regulation 8 of the CR 2017;
- (c) to amend item 45 of the Schedule under Regulation 8 of the CR 2017;
- (d) to amend item 47 of the Schedule under Regulation 8 of the CR 2017; and
- (e) to amend item 48 of the Schedule under Regulation 8 of the CR 2017.

BACKGROUND

2. The CA 2016 came into force on 31 January 2017 and repealed the 1965 Act which has been in operation for over 50 years. The study of other legislations, consultation and discussion with various regulatory, professional and industry stakeholders have contributed positively toward formulating the CA 2016 in the ease of doing business in Malaysia. The implementation of CA 2016 is intended to improve the ease of doing business in Malaysia where corporate procedures for companies have been

simplified and significantly reduce the administrative and compliance costs towards fostering a more business-friendly environment.

3. Both CA 2016 and CR 2017 was enforced on the same date. The CR 2017 provides guidance regarding lodgement of documents as well as the prescribed fees in respect of any lodgement of documents or any application or appeal.

4. Since the enforcement of CA 2016 and CR 2017, SSM has made several changes to the Act and the Regulations to cater for the necessary changes in the current commercial environment and to provide competitive advantage to the corporate community in Malaysia. The proposed amendments in this paper are divided into two (2) parts:

(i) Part 1:

Amendments which are proposed to ensure that the policy which was adopted from the repealed Act into the CA 2016 can be implemented effectively.

(ii) Part 2:

Amendments which are proposed to align with recent amendments to CA 2016 and widen the scope of available information to include information relating to shareholder, director, secretary, auditor or liquidator in any company or corporation.

5. SSM invites comments on the following proposed amendments and will consider the responses to the consultation. Comments are invited from stakeholders and all interested parties to ensure that the resulting regulations are feasible, proportionate and effective.

THE PROPOSED AMENDMENTS AND JUSTIFICATIONS

Part 1: Prescription of fee under section 567(3) of the CA 2016

6. According to section 567(3) of the CA 2016, if a foreign company increases its share capital or authorized share capital, the foreign company shall lodge with the Registrar a notice of the increased in the share capital within thirty days. This subsection was retained from section 335(2) of the CA 1965.

7. Section 335(2) of the CA 1965 provided that if a foreign company increases its authorized share capital, the fee to be paid is the differential amount between the amount which would have been payable on the first registration. However, this fee was not included in the Schedule under the CR 2017.

8. Accordingly, a fee payable for the lodgement of a notice by a foreign company of the increase in share capital under section 567(3) of CA 2016 must be inserted in the Schedule.

9. SSM proposes to insert item 32A to prescribe such fee. The proposed item 32A shall be in line with the prescribed fee in item 32 in relation to share capital or authorized share capital for registration of foreign companies.

Part 2: Amendment for items 43, 45, 47 and 48

10. In addition, SSM also proposes to amend items 43, 45, 47 and 48 in the Schedule to widen their application to include application in obtaining information relating to shareholders, directors, secretaries, auditors and liquidators.

11. This will enable the public to obtain the information as stated in the paragraph above to facilitate them in making informed decision.

The current provision and proposed amendments

Item No.	Present		Proposed Amendment	
	Matter	Fees (RM)	Matter	Fees (RM)
32A	Not available	-	<u>Lodgement of notice by a foreign company of increase in share capital under section 567(3) of the Act</u>	<u>The amount of the difference in the prescribed fee payable on the increase in share capital or authorized share capital and the amount which would have been payable under Item 32</u>

43	Application for any information relating to company or corporation (a) through electronic means (b) through other than electronic means	20 30	Application for any information under this Act, relating to company or corporation, <u>shareholder, director, secretary, auditor or liquidator</u> (a) through electronic means (b) through other than electronic means	20 30
45	Application for issuance of any certificate or copy of certificate relating to company	20	Application for issuance of any certificate or copy of certificate <u>under this Act</u>	20
47	Application for any confirmation by the Registrar relating to information of company	50	Application for any confirmation by the Registrar relating to information of <u>shareholder, director, secretary, auditor or liquidator in any company or corporation</u>	50
48	Lodgement of any document relating to company not specifically mentioned in this Schedule	100	Lodgement of any document <u>or any application</u> relating to company not specifically mentioned in this Schedule	100

CONSULTATION QUESTION

Please comment on the proposed amendment of the items in the Schedule under Regulation 8 of the Companies Regulations 2017. Kindly provide justification along with your response.

Prescription of fee under section 567(3) of the CA 2016

Comments:

Amendment for items 43, 45, 47 and 48

(i) Item No. 43

Comments: _____

(ii) Item No. 45

Comments: _____

(iii) Item No. 47

Comments: _____

(iv) Item No. 48

Comments: _____
